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Unemployment Insurance Review

June 1966

Federal Training Allowance and UC Programs

MDTA
- —Developments in Training Allowances
- —Relocation Assistance in Labor Mobility Demonstration Projects
- —The Role of the Regional UI Director
- —Oregon's Payment Control Experience

UCFE–UCX
- —Bureau Liaison with Federal Employers

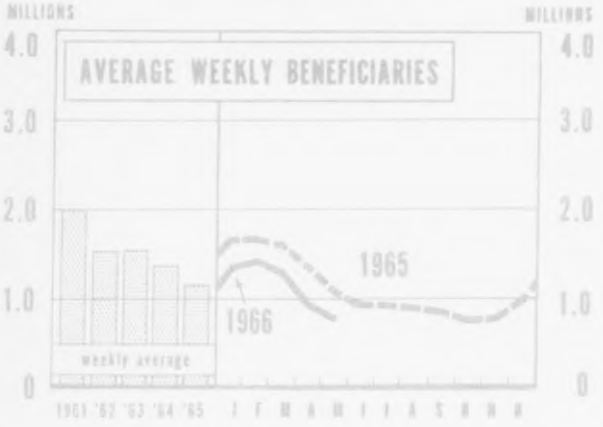
TRA–APTA
- —Trade Expansion Act and Automotive Products Trade Act

UNITED STATES DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

UNEMPLOYMENT INSURANCE ACTIVITIES

UNDER STATE PROGRAMS

In May, initial claims filed under State programs averaged 152,300 per week—a decline of 9 percent (about seasonal) from April and 18 percent below a year earlier. The volume this May was the lowest for any month since September 1952.



Beneficiaries receiving payments under State unemployment insurance programs in May averaged 806,000 per week—126,000 below the April figure and 254,000 fewer than the May 1965 average.

Benefits paid to insured jobless workers under State unemployment insurance programs declined, by $29.3 million, to $126.1 million in May. This was $39.6 million less than a year earlier and the lowest amount for May in 10 years.

Unemployment Insurance Review

June 1966
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U.S. DEPARTMENT OF LABOR
W. Willard Wirtz, Secretary

MANPOWER ADMINISTRATION
Stanley H. Ruttenberg, Administrator

BUREAU OF EMPLOYMENT SECURITY
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UNEMPLOYMENT INSURANCE SERVICE
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The check that makes the difference—

Training allowance for the unskilled.

Retraining allowance for new skills.

Adjustment assistance for the auto-parts worker.

UC benefits for the ex-serviceman.

Trends in

Federal Training Allowance and

Unemployment Compensation Programs

This issue of the **Review** *features articles about recent developments in Federal training allowance and adjustment assistance programs and the unemployment compensation programs for former Federal employees and ex-servicemen.*

MDTA

Developments in Training Allowances

*James E. Rambo, Jr.**

A NUMBER of American workers need training to develop to the fullest capacity their skills and potentials and to fill their places in society as contributors to the economy. The Manpower Development and Training Act is not a unique venture for providing such training. The States have been conducting adult vocational courses for many years. Industries conduct apprenticeship and other on-the-job training. The Federal Government has sponsored vocational training under the Area Redevelopment Act and the Servicemen's Readjustment Act, and through a number of its agencies, including the Department of Health, Education, and Welfare and the Bureau of Indian Affairs. However, the impact of the Manpower Development and Training Act program is far broader than other federally sponsored training programs. It provides financial assistance to a wider category of workers who are, through MDTA projects, engaged in acquiring new skills, or in refreshing or upgrading old skills. This training helps the country's economy by reducing unemployment and filling labor shortages through the process of matching the requirements of jobs with the qualifications of jobseekers.

Original Allowance Provisions

Under MDTA as originally enacted, allowances were payable in nominal amounts, principally to heads of family and heads of household with at least 3 years' work experience. Under the act, trainees from locations beyond commuting distance to their regular place of training were reimbursed for transportation to the training site and for separate maintenance if they were required to in training.

The regular training allowances payable were limited to the equivalent of unemployment insurance payments in the State, either the average amount paid or the amount to which the trainee would have been entitled if he received benefits instead of a training allowance.

In addition to the allowances provided for heads of family and heads of household, smaller allowances up to $20 per week were authorized for youth, 19, 20, or 21 years of age, who did not meet the requirements for regular allowances. (The total number of youth allowances payable was limited to 5 percent of all training allowances allocated for a fiscal year.)

Training allowances in the program as originally enacted were payable to an individual for a maximum of 52 weeks, thus limiting the scope of training that could be offered. The original Manpower Development and Training Act of 1962 limited the training allowances to a period that expired on June 30, 1965. The act further restricted the allowance program by requiring participating States to match up to 50 percent of the funds paid to enrollees as training allowances.

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Training waitresses.

Need for Changes

There were many factors which indicated a need for changes in the allowance program. It was found that many trainees with family and household responsibilities were forced to terminate their training before completion because the amount of allowances was not adequate to meet needs that, while they could be deferred for a time, after a few months became more and more insistent. Increased numbers of youths entering the labor force with cultural and social differences associated with minority groups necessitated an increase in the ratio of MDTA funds that could be expended for youth training.

For trainees who lived within daily commuting distance of the training center, the rising costs of transportation, which had to be paid out of allowances intended for the support of the trainee and his family, required a change in the authority for reimbursement of transportation costs in order to enable the trainee to complete his training.

The restriction in the duration of training allowances payable to an individual interfered with the structure of training projects. When trainee attitudes reflected a lack of motivation resulting from environmental or other factors, prevocational services were required, including testing, counseling, and work orientation. Other prevocational services also added to the need for extension of duration of the training provided. A large number of enrollees who are heads of family or heads of household have such limited education that basic education is necessary before vocational training can be effective. Longer courses requiring training for subprofessional skills further contribute to the need to provide for longer duration of training allowances.

Individuals without dependency relationship presented another group of persons who were deprived of training because of their inability to meet qualifications for training allowances.

Present Allowance Provisions

MDTA training allowances have been increased in amount and duration. The amount based on the average payment in a State for a week of total unemployment is increased by $5 per week for each dependent up to a maximum augmentation of $30 per week. A trainee with no dependents or with only one dependent receives $10 per week more than the base rate after the 10th week of his training. The duration of allowances that may be paid to an individual while he is in MDTA training has been increased to 104 weeks.

In computing the basic amount of training allowance, use is made of the average gross unemployment compensation payment (including allowance for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available. This permits a more stable basic training allowance and prevents seasonal factors from playing a major role in causing the allowance to fluctuate from quarter to quarter.

The number of youths participating in the MDTA program has been increased. As many as 25 percent of those receiving training allowances may be under 22 years of age. The age limit for

Training stenographers.

payment of youth allowances has been lowered to include those who have reached their 17th birthday.

If a trainee receiving youth allowances becomes 22 years of age while he is in training, his allowances may be continued until he completes his training, provided he has already completed at least half of his training.

Regular training allowances may be paid to an unemployed trainee who has 2 years' work experience, if he meets one of the following requirements:

1. He is the head of a family or a household;
2. He is a member of a family or household and the head of his family or household is unemployed; or
3. He is a single person living alone or in a household without dependency relationship.

A trainee in the second category may continue to receive training allowances to enable him to complete his training unless the head of his family or household obtains or resumes work of a permanent or indefinite duration that can reasonably be expected to provide the trainee with sufficient resources to continue. For the purpose of determining whether employment is permanent or indefinite, a measure of 3 weeks is applied. The employment is not expected to provide sufficient resources unless earnings per week are at least twice the training allowances being received by the trainee.

Subsistence and Transportation Allowances

Except for Alaska, subsistence allowances continue at the rate of $5 for each day that the trainee must be away from home overnight. In Alaska, allowances may be paid at the rate of $8 per day to compensate for the higher living costs in that State.

For travel to training at the beginning of the training course and for return home at the end of the course, a trainee is paid for his travel by the most economical means of public transportation that will allow the trainee to reach his destination within 24 hours. The cost of travel to and from training outside the commuting area of the trainee's regular place of residence is limited to 10 cents per mile, except for noncontiguous States and Territories (Alaska, Guam, Hawaii, Puerto Rico, and the Virgin Islands).

For daily travel within the commuting area of the training facility and for interim travel of a trainee whose regular place of residence is beyond the commuting area, transportation allowances are paid for the cost of travel that exceeds 50 cents per day or $2.50 per week. Trainees are required to absorb nominal transportation costs out of their training allowances to enable more individuals to be enrolled in MDTA training and to lessen the burden of providing for many small transportation allowance payments. Daily and interim transportation allowances are paid at the rate for the most economical means of public transportation by common carrier. When no common carrier is available, a trainee may be reimbursed for cost of travel by private vehicle at a rate comparable to the rate charged for local public transportation. If comparable public transportation is not available in the general community, a rate of 5 cents per mile traveled is used, subject to exclusion of 50 cents per day or $2.50 per week.

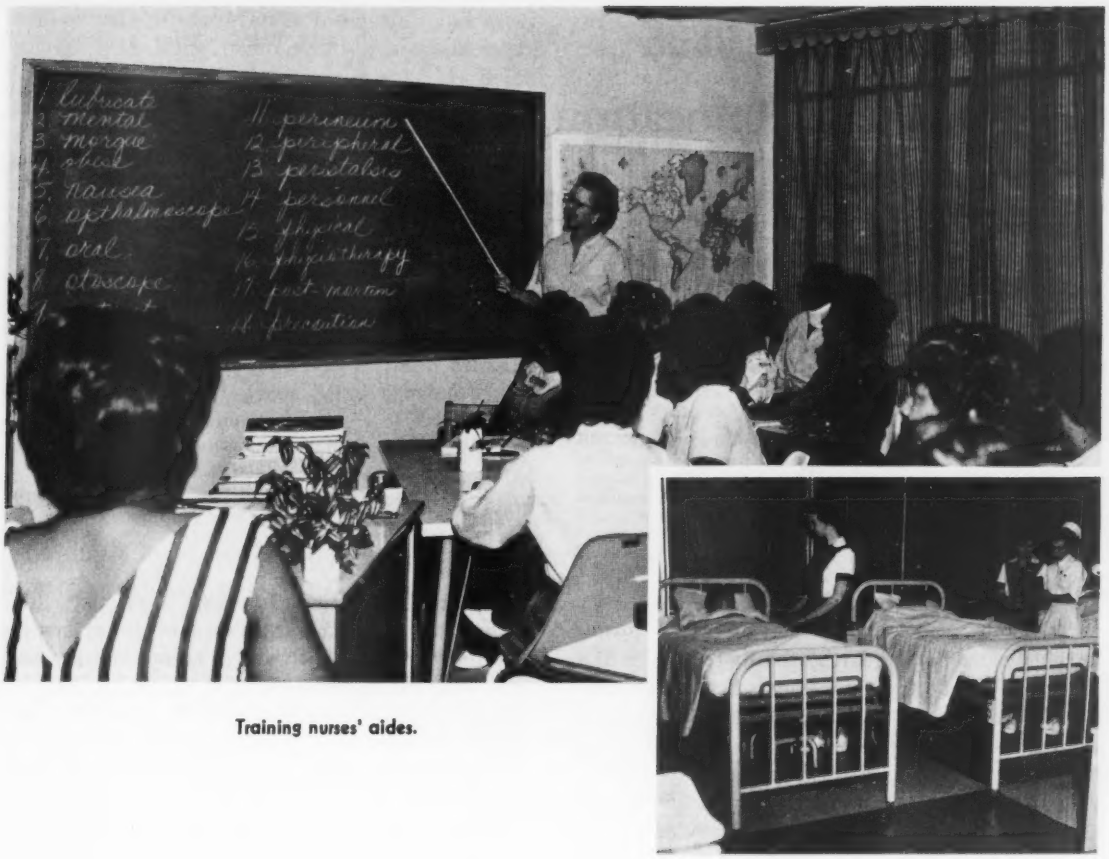
Other Changes

Requirements that the States must match funds for allowance payments have been rescinded. Currently, training and allowances are authorized under the act until June 30, 1969. A number of overall amendments to the act that may affect allowance payments directly or indirectly are included in proposed legislation now pending before the Congress. Also a number of other fiscal and technical amendments have been introduced to facilitate the administration of the act.

Conclusion

Today, the MDTA program is still in its building stage. In 1965, on-the-job training (OJT) efforts more than doubled the 1964 record. This type of training has reached into small industries that before the advent of MDTA had never before trained anyone in a formal program. An experimental and demonstration program (E&D) is seeking to develop new methods and ways to combat manpower problems. Another phase, migration, has always been a significant factor in adjusting the supply and demand for manpower. In the past year, the Department of Labor has been conducting pilot projects under the Labor Mobility Demonstration Program which is authorized under section 104 of the act as amended.

For the success of any program, regular evaluations and reviews are essential. The MDTA program is no exception, and the Bureau is constantly reviewing the payment of allowances to trainees by the State agencies. The evaluations are conducted



Training nurses' aides.

by review teams employing formal outlines for guidance. All operations of the allowance payments are reviewed to insure proper and prompt payment of allowances, to be certain that all records are maintained according to set procedures, and to assist the States in achieving an efficient operation. Generally, it has been found that the States are administering the program in a satisfactory manner.

Although our Nation's present economy is characterized by unprecedented prosperity and high employment, there is still a significant segment of the population not sharing these benefits. In the past 4 years, we have been probing and testing in order to develop a program to meet the needs of our manpower requirements. We are past the trial-and-error stage and must now focus our manpower training on two major problems in the economy—the emergence of some selective skill shortages and the exposure, reduction, and elimination of residual hard-core unemployment among fairly well defined groups. The efforts of employment security staff throughout the States will not be completely successful until the hard-core unemployed receive the necessary assistance to become self-supporting citizens, sharing in the benefits of our productive economy.

MDTA

Relocation Assistance in Labor Mobility Demonstration Projects

*John Frank Kelley**

MANPOWER throughout history has been mobile. Since time immemorial, people have moved about the earth, seeking to inhabit new lands. Without such movements America would still be unexplored and undeveloped. Immigration and emigration have contributed greatly in building our economy to the point of its present development. Many industries owe their rank in the American economy to the voluntary migration of workers to those areas of the country where manpower was needed.

Despite the natural tendency of people to migrate, despite present day ease of communication and transportation, and despite the willingness of workers to move to labor demand areas, there are still many workers in this country who are unemployed. Many of these workers have no prospect for long-term employment at substantial wages in the community in which they live, yet their skills and services are needed in other localities.

Assistance in placing these workers has been available for some time through the interarea clearance system of Bureau and State employment security agencies. Similar assistance is provided to migratory farmworkers through the Bureau's Farm Labor Service.

The U.S. Department of Labor, with the support of many leading economists in the manpower field, has sought authority for a program of special assistance to workers to enable them to achieve a greater degree of mobility in order to meet changing local demands for workers with particular skills. This special assistance program is proposed to enable the worker to accept employment at a location requiring him to move himself, his family, and his household goods; and, in many cases, to provide encouragement to workers to leave localities where they have lived all of their lives.

Up to now Federal legislation to increase labor mobility has taken the form of direct grants to some categories of workers in short supply for their move to jobs with Federal agencies, of income tax relief for workers who receive relocation assistance from private employers, and of relocation allowance payments to workers affected by the extension of tariff agreements which led to their unemployment.

In 1963, Congress amended the Manpower Development and Training Act of 1962 to authorize the Secretary of Labor to provide assistance to workers for their relocation, in order to demonstrate the effect of such assistance in reducing unemployment. The authority for the pilot projects under MDTA originally was scheduled to expire June 30, 1965, but was extended by the Manpower Act of 1965 to June 30, 1967. Current authority places a limit of $5 million per year upon expenditures for this purpose.

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The authority in MDTA to develop and carry out labor mobility demonstration projects is accompanied by only a few restrictions. As originally enacted, not more than 50 percent of a worker's relocation expenses could be advanced to him in the form of a grant. The remainder of his expenses, up to 100 percent, could be advanced as a loan. Relocation assistance may be furnished only to involuntarily unemployed workers who cannot reasonably be expected to secure full-time employment in the communities in which they reside, who have bona fide offers of employment (other than temporary or seasonal), and who are deemed qualified to perform the work for which they are being employed.

The Unemployment Insurance Service of the Bureau of Employment Security has been delegated the responsibility for operations of the loan and grant provisions of the labor mobility demonstration program. In February 1965, the Office of Federal Unemployment Insurance Programs and Training Allowances issued guideline procedures and drafts of forms to be used by cooperating State agencies in advancing funds to workers for their relocation expenses.

These procedures were revised, effective October 1965, to accommodate changes in the legislative authority contained in the Manpower Act of 1965. To provide maximum flexibility in testing the effectiveness of assistance provided to workers for their successful relocations, the guideline procedures are modified when necessary to conform to special provisions for worker assistance in individual projects. This flexibility provides ample latitude in experimentation with different kinds of assistance and different amounts of allowances to fit in with the variations in the kinds of expenses of the workers participating in the program.

During 1965, pilot projects were conducted in 14 States. Nearly 1,200 workers were relocated during those projects. Slightly less than $313,000 in relocation assistance funds were advanced to the workers who were relocated.

LABOR MOBILITY DEMONSTRATION PROJECTS, 1965

	Number of workers relocated	*Relocation assistance funds advanced*
Total	1, 196	$312, 891. 34
Alabama	103	28, 878. 95
California	25	18, 526. 75
Illinois	220	58, 106. 00
Indiana	2	144. 30
Kentucky	24	6, 071. 39
Michigan	81	23, 155. 00
Minnesota	25	6, 984. 00
Missouri	18	3, 230. 97
Montana	16	3, 929. 04
New York	130	61, 670. 50
North Carolina	278	31, 386. 39
Utah	41	26, 002. 59
Virginia	159	32, 803. 46
West Virginia	74	12, 002. 00

The experiences gained in those projects were many and varied. The following excerpt from the final report of the Virginia Employment Commission regarding the labor mobility pilot project conducted in that State typifies how the projects were organized and generally indicates the degree of success encountered:

Beginning in April 1965, the Virginia Employment Commission conducted a Labor Mobility Demonstration Project under the Manpower Development and Training Act of 1962. The project was designed to show the effectiveness of using financial assistance both to increase the mobility of unemployed workers and to reduce unemployment. The project was a research program in nature, and its purpose was to gather information about all phases of a mobility project rather than to move people per se.

The people chosen for the experiment are residents of the Appalachian region of southwest Virginia. This area is chiefly one of low-income farming and coal mining, and for many years it has experienced a rising unemployment rate coupled with a declining population. The unemployed workers in the area fall mainly into two groups: those older workers displaced by automation in the coal industry, and young persons who have recently entered the labor force. Due to the lack of industry and to the general economic structure of the area, these persons are enveloped in a pocket of structural unemployment.

In contrast to the depressed economy of southwest Virginia, the eastern part of the State is enjoying a period of accelerated economic growth. The population of the area has increased sharply in the past 10 years but the

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increase in population has failed to keep pace with some of the jobs opening in the industrial sections of the State. Many of these jobs are on the skilled, semiskilled, and unskilled levels, and they are suitable for Appalachian workers. MDTA training programs are being conducted in southwest Virginia in various occupations as an effort to train workers for these jobs. However, the past trend of migration from southwest Virginia has been to Ohio, Michigan, and Tennessee, with only a small percentage of the migrating workers coming to the eastern part of Virginia. Thus, an alternative purpose of our program was to inform MDTA graduates and other workers in southwest Virginia about jobs in eastern Virginia and to inform employers about the surplus labor existing in southwest Virginia.

Therefore, based on our internal needs, we proposed and carried out an intrastate labor mobility program, following the guidelines set by the Department of Labor. We had defined demand and supply areas and a project director who coordinated their activities. Our supply area consisted of eight counties in the far southwestern part of the State. They are served by three Virginia Employment Commission local offices. There was a "mobility project officer" in each office who interviewed applicants and cleared their applications to the demand area.

The demand area comprised all of the other counties in the State and is served by 31 local Employment Commission offices. There was a "mobility project officer" in each office who processed applications from the supply area and developed job openings. The project was carried out under regular, but accelerated, Employment Service clearance. The major new aspect of clearance added by the project was the idea of giving financial assistance to relocatees. However, the actual payment of the relocation allowances was handled by the Unemployment Compensation Division of the Virginia Employment Commission.

The project moved slowly at first, but we picked up speed as we gained experience. In the final analysis we moved 200 people, and although 75 of them had returned by the end of September we know that the program can work. We don't believe that financial assistance is the only criterion for successfully relocating workers, but it is a big help. We do know that jobs exist for Appalachian workers, but we have to bring the job and the worker together.

Determining Amount and Type of Assistance

The amount of funds advanced is predicated on the costs involved in the worker's transportation, the transportation of his dependents and household goods, the subsistence of the worker and his family pending receipt of income from his new employment, and other aspects of his relocation. Extraordinary expenses are included in the costs involved to the extent that such expenses relate to the individual's relocation or affect (or threaten to affect) his successful relocation.

Provisions for advancing funds to meet the costs of relocating a worker originally were based upon the estimated cost of transporting him, his family, and his household goods, plus a lump-sum allowance to provide for the interim subsistence of the worker and his family, and for incidental costs. These provisions were applied in projects conducted in the first year of the labor mobility demonstration program.

In ensuing years only minor changes were found to be necessary in procedures for advancing transportation costs. However, funds for the subsistence of the worker and his family, and for other costs incidental to his relocation, are now the object of extensive experiment in recent projects in order to observe the effect upon the worker's willingness to move and the successful completion of his relocation. Every effort is being made to adjust advances to the actual need of the worker to assure that his relocation is successful.

Experiments are being conducted in different projects to demonstrate the effect upon the worker's relocation of loans and grants for such items as work tools and uniforms, utility deposits, loans for meeting emergencies, payments to release encumbrances on personal property to permit the worker to move his household goods, the cost of obtaining means of transportation where none is available, and, if found to be necessary and practicable, providing down payments on living accommodations in the locality of the worker's new employment.

Grants

As noted previously, the original limitation on the amount of funds to be granted to a worker to assist in his relocation was 50 percent of the amount required to be advanced for this purpose. The Manpower Act was amended in 1965 to eliminate this limitation. When testifying before a committee of Congress considering the change, the Secretary of Labor offered assurance that elimination of the 50-percent limit would not mean that all funds advanced in future demonstration projects would be treated as grants. The removal of the 50-percent limitation added flexibility in constructing experimental projects so as to demonstrate more clearly the effect of funding upon the mobility of workers.

Loans

Generally a loan under the labor mobility demonstration program must be:

—subject to reasonable assurance that it will be repaid;

—made only if credit is not otherwise available on reasonable terms;

—adequate to assure achievement of the purposes for which the loan is made;

—repaid with interest; and

—repayable within not more than 10 years.

Experience in 1965

State employment security agencies are cooperating in funding arrangements in all projects being conducted under the MDTA labor mobility demonstration program. A survey of experiences in the program was recently conducted among those agencies that have participated in the program thus far.

Inexperience in coping with problems involving a worker's transportation costs and the costs of moving his family and household goods, and in providing funds for living expenses until he began receiving wages from his employment in the new area, caused most of the difficulties encountered by State agencies. Other difficulties arose because full understanding was lacking between the worker and his new employer.

Direction of Later Projects

Projects being conducted in the 1966–67 period are proving less difficult as a result of the experience gained during earlier projects. Arrangements are being worked out with movers to expedite transfer of the worker's household goods to his new location. To prevent, as far as possible, misunderstandings between the employer and the worker, personal interviews are being arranged. If required, a worker is given refresher training. Funds are being provided for "settling-in" the worker at his new location. Assistance from Travelers Aid and other community organizations also is being provided to help the worker get settled. More reliance is being put upon the communities from which the worker is moving and the one to which he is relocating. The former community is in a position of discharging a responsibility to one of its members to whom it can no longer offer full-time employment. The new community is gaining a needed worker who will contribute to its growth in coming years.

Summary

Much has been learned and much is being learned about the worker's mobility, his resistance to movement, and the cost of relocating him, in addition to the effects upon employment and unemployment and the economy in the community from which he moves as well as in the community to which he moves. The lessons learned, the experiences gained, and the effects demonstrated will be the objects of intensive study.

The projects conducted in 1965 showed conclusively that the unemployment insurance divisions of the State employment security agencies are alert to the need to keep pace with the expanding role that the Federal-State employment security system must play in manpower development. Legitimate demands of the workers for higher standards of living and demands of industry for workers with needed skills must be met. Through these labor mobility demonstration projects and other programs, economic resources are brought together to produce the abundance that the American people have a right to expect from their economy based upon free enterprise.

. . . ***We cannot rest content:***

—When employers seek skilled and experienced workers, while thousands cannot find work because they lack proper training and education.

—When factories in some areas are unable to fill orders because they lack workers, while chronic unemployment endures in other areas.

. . . . . .

We must bring jobs to workers and workers to jobs.

—Manpower Report of the President, March 8, 1966

MDTA

The Role of the Regional UI Director

*Robert B. Edwards**

THE role of the Regional UI Director has characteristically and aptly been described as that of a go-between, a generalist who connects specialists of all types from State and Federal levels. In relation to regular State programs, this means, on the one hand, maintaining information on and coordination of individual State laws and practices growing out of their diverse needs and economies and, on the other hand, conformity with national standards. With respect to Federal programs, the direction of this responsibility is reversed, for these programs are based directly on Federal laws and require accommodating individual situations to meet national demands.

Even so, there is great disparity between the demands made upon the regional director by title XV programs covering Federal employees (UCFE) and ex-servicemen (UCX), as contrasted to those stemming from the Manpower Development and Training Act (MDTA). Consequently, there is a difference in the degree of his involvement in the two sets of programs. The former embody the same principles and concepts as State programs. Indeed, they are extensions of these programs and, with few exceptions, their claimants find themselves eligible for the same benefits and subject to the same requirements they would face if filing under regular State UI programs. Also, title XV programs have been with us in unchanged form for a longer period of time. In effect, the rules of the game are conventional and they are familiar to all the players. For these reasons, title XV programs are, to a great extent, a matter of routine management within States and of routine responsibility for regional directors.

*Regional UI Director, Region X, Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor.

MDTA Allowances

From its beginning, MDTA has required much more in the way of ingenuity and adaptability on the part of everyone concerned. In terms of intent, content, and operations, it differs immensely from those programs that our experience has equipped us to administer with ease. The responsibilities which comprise the middleman mission in this unfamiliar territory of allowances differ—in emphasis, certainly, and to a small extent in kind—from those in the more traditional programs. These responsibilities fall generally, however, into three well-known categories—training, interpretation and coordination, and evaluation. The first and last of these categories are formalized and well defined; but "interpretation and coordination" is vague and fortuitous and thus far has been relatively time consuming. In practice, of course, the three functions blend together.

Training

Regional UI directors have functioned continuously as both trainees and trainers in the MDTA payment process. At the beginning of the program, a series of training meetings was held throughout the country in which national office staff explained the allowance guides to regional

office and State agency personnel. Even at that point, the law hinted at those complicated and esoteric payment features which time and further legislation were to compound rather than diminish. The 1964 and 1965 amendments to the act have been major attempts to implement still further the philosophy underlying this program. Both have had great impact upon allowance matters and regional office activity. Since neither change has been accompanied by multistate training conferences, it has devolved on the regional UI director to review with responsible State agency staff new payment procedures and their implications, after first receiving training in them himself.

Ideally, this type of training would be conducted for those State agency representatives from both central and local offices who are responsible for making allowance determinations. In fact, the timing of the changes and the cost of these sessions have been such that this ideal has been achieved only once in region X. In most instances, the training has not progressed beyond informal review of new procedures and regulations with payment unit supervisors and procedures writers. Our experience has been that in either event, although training of some type is necessary to obtain agreement about the meaning of general standards, it still does not forestall interpretational disputes in the course of bringing these standards to bear upon specific cases.

Following the initial implementation of the 1965 amendments regarding allowances, there was a period of calm from which we deduced that no insuperable problems were being encountered—having recalled the flurry surrounding the 1964 changes. The spate of questions which ended this respite taught us, as previous experience should have taught us, that things were not as simple as they appeared—which brings us to the interpretative aspect of the regional director's MDTA role.

Interpretation and Coordination

We have had very active MDTA programs in region X, and this activity has generated questions of the most unanticipated variety. The changing nature of allowance rules has contributed to uncertainty, of course. But beyond that, the different possible combinations of allowances, together with the number of groups having responsibility in the process and the liveliness of programs on the fringe area of MDTA, have also worked to stimulate inquiry.

The need for explanation of allowance standards and coordination of information arises not only in direct connection with the State agencies but also within the Bureau of Employment Security and the Department of Labor at the regional level. Often this involves merely making known in general terms the requirements for entitlement to various allowances to those who are developing specific types of training courses. On occasion, it includes working out in preliminary form arrangements for paying allowances in unusual if not unique projects. Mostly, however, we are involved when potential or actual questions are raised concerning the propriety of paying allowances in given situations, and these questions ordinarily flow directly to us from State payment units rather than from regional sources.

Coordinating channels of communication with State and national office payment staff has probably been the single most important feature of the regional director's role, and has had great influence upon his ability to carry out effectively his total MDTA responsibility. From the start of the program, we have encouraged the States in region X to bring allowance problems to our attention if they could not be solved by reference to existing procedures. Most of these questions are substantive rather than operational, centering upon entitlement or eligibility requirements. When a problem arises, we use additional reference material available here, such as the MDTA Interpretation Memo Series, in an effort to resolve it at the regional level. In most cases, however, referral to national office technicians is necessary, particularly if the problem appears to be a novel one. In so doing, an attempt is made to structure possible responses to the problem, so as to relate it to whatever additional problems we might have encountered in thinking about its solution. In this way, the response will shed light on as extensive an area as possible. This cycle is complete when the answer has been obtained and passed along, not only to the State in which the question originated but in some cases to other States who may be faced with it.

Despite these steps to insure agreement on and implementation of payment standards, there have been occasions when misunderstanding has caused a series of improper payments. Ordinarily this happens as a result of revisions in payment requirements which are construed by a State payment unit in a way that is inconsistent with national policy. An example of this occurred in region X when there was a change in the rules governing the allowance entitlement of members of a family when the employment status of the family head changes during the training period. Such misapplications may be brought to light accidentally through casual discussions with State personnel, but they are more apt to be revealed by the kind of systematic review developed and conducted by Federal program specialists from the national office.

Review and Evaluation

Regional office staff have participated consistently with Federal and State MDTA technicians in evaluations of payment practices conducted in each of our States. In addition, because of the fluidity of the program, we have considered it useful to supplement the national office schedule with interim evaluations so that each State in region X is surveyed on an annual basis. Thus far, the greatest virtue of this activity has been to expose the regional director (and by extension the national office) to what may be symptomatic interpretive problems, and to give States a firmer understanding of requirements for which they are responsible.

The review process does not center entirely upon the substance of allowance payments. Operational factors, such as timeliness of payment, controls, and costs, are also carefully considered. In addition, operations are reviewed on a spot basis when, for example, a State is experimenting with a different type of payment procedure, or when a formal complaint about delayed payments in a project requires investigation. All these contacts are valuable in revealing special techniques that have been developed in one State or even in one local office and which, if brought to the attention of others, might advantageously be adapted for their own use. In this sense, reviews promote a regional office clearinghouse function which may become more significant as greater experience is gained with the program.

In the meantime, until the MDTA program reaches maturity, the training, interpretative, and reviewing features of the regional director's middleman role will continue. As the program becomes solidly established, the need for interpretation will gradually decline and the formalized features of this role will emerge more strongly. Nevertheless, given the inherent nature of MDTA and the the interest in it of active and diverse groups, the total role played by the Regional UI Director in the allowance program will no doubt remain especially challenging.

MDTA

Oregon's Payment Control Experience

*R. F. Baxter**

THE Oregon Department of Employment's MDTA payment control unit approached the advent of the MDTA program with a confidence gained through long years of experience in unemployment insurance administration. In anticipation, preparations were made for new experiences, new ideas, and new terminology. However, as Alice found, the wonderland became "curiouser and curiouser." Previous experience was of little help. Old ideas did not fit the new processes. The rules were not so exact.

For example, in unemployment insurance experience, a 2-year work history is definite and definable—without wages of record, there is no usable work history. Under MDTA, 2 years of work experience had to be constructed from the memory of a trainee candidate. However, in order to qualify, by reason of the definitions that have been applied, much less than 2 full years are actually required—berrypicking, beanpicking, babysitting, and other activities may be included. The requirement is, in practice, unrealistic and the work experience difficult if not impossible to verify. Likewise, "head of household," "head of family," "independent youth," and a variety of other terms completely upset our complacency.

It was decided that to properly administer the program, new philosophies would have to be developed and it would be necessary to establish completely new standards of judgment. It was apparent from the outset that our MDTA payment control unit and the selection and referral officers would have to maintain the closest liaison if they were to be at all successful. The door was kept open between field and administrative offices to encourage a free interchange of ideas and experiences. If problems were to be solved and the payment function gotten off the ground, it would be by such collective effort.

After a period of concentrated training, the program got underway. Then the wildest paper snowstorm developed—three, four, or five copies of certain forms were needed, and often with one-third of the items on one form duplicated by items on the others. Hurried training meetings helped personnel brave this storm. In the midst of all this activity, the forms from the training facilities began to arrive requesting allowances for the trainee (Weekly Request for Allowances by Trainee and Certification by Training Facility—Form 952).

Importance of Prompt Payments

The timely processing of weekly payments can be the key to make or break the program. A review of trainees' records shows readily that there are very few participating in a training project unless they are eligible for allowances.

The Oregon agency has followed the practice of making direct contact with the training centers on mechanical errors which may delay payments. This fortunately can be accomplished by telephone at no toll expense as most communities within a radius of 75 miles of the central office can be

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reached by direct dialing and all the rest of the State by Wide Area Telephone Service (WATS) lines. All questions of policy and interpretation are channeled through the local selection and referral officer.

One difficulty arises from the fact that the allowance segment of the MDTA program is far afield from the direct interest of the training facilities' staff whose direct concern is *training*. The writer, having had some 7 years' experience in the educational field, was at the outset skeptical of the placement of responsibility for weekly claims with the training facilities. Very few educators can apply the necessary concentration and energy to the course content and presentation and still have time left to give attention to administrative and procedural matters involving training allowances. However, individual conferences and group training meetings have been quite helpful in improving this situation.

The difficulties encountered with the training facilities have never been due to lack of cooperation or interest. They result from not understanding the importance of the actual payment of allowances. The point cannot be overemphasized that there would be few if any trainees, and thus no training project, if it were not for payment of allowances. The Oregon agency assigns a liaison representative to the training center the first day of operation at each new installation and each Monday thereafter so long as the facility feels it is worthwhile.

Suggestions for Improvement

Because of inexperience and the fact that each innovation has necessitated a "crash program," many mistakes have been made and inconsistencies and misunderstandings have developed. However, information on collective experience is now available from the Bureau to the State selection and referral offices. Based on experience in the Oregon agency, the following suggestions are offered to improve the allowance payment process:

1. Definitions should be more precise; for example, in the "single—not dependent" category.

2. The 50-cent deduction on transportation should be eliminated and a minimum daily transportation rate set to avoid the 6-, 8-, and 10-cent-a-day payments.

3. Training allowances should be paid on the basis of days of attendance, and excused and unexcused absences eliminated.

4. In order to qualify an individual for training allowances, the requirement that a determination be made as to whether a head of family quit his job, should be removed. (No person who quit for this reason will admit it, and there is no other way to get verification.)

5. The "2-year work requirement" should be made more realistic, or preferably eliminated. The question arises: Is it consistent with the basic purpose of the program to take the position that if a prospective trainee hasn't had previous employment, he is ineligible?

6. If a 1-year disqualification is to be assessed in some cases commencing the day following the date of "termination," shouldn't the date the trainee is terminated by the training facility be shown on form 952?

7. Because the training facilities invariably certify they had "good cause" to terminate a trainee, the training facility should be required to state the reason why a trainee is terminated and give the State agency's MDTA payment unit the responsibility for making the finding of "good cause" or "not good cause."

8. It would be helpful if the Bureau's MDTA *Handbook* could be revised to include supplemental material issued since its publication, and to delete repetitions and clarify certain ambiguous phrases.

One of the many CAUSE I and II graduates hired by community agencies to work with disadvantaged youth.

Other Tasks

After a year of paying allowances to trainees participating in projects, a new and completely unfamiliar task was delegated to the payment control unit—"Counselor-Adviser University Summer Education" (CAUSE I). If any semblance of our original complacent approach had been restored, this new task quickly dispelled it. This program, conducted in universities and colleges named by the Department of Labor, was for training college graduates in the techniques and methods of counseling disadvantaged youth. In 1964, CAUSE I trained 1,754 persons in 27 universities and colleges with funds made available through MDTA. After the first year of experience with

CAUSE I, CAUSE II enjoyed smooth sailing by comparison. In 1965, 2,150 college graduates were trained in 35 universities.

Types of Payment Cases

It has been said for many years that in the UI program the term "typical case" is a misnomer. In determining eligibility for allowances under MDTA, the typical case is nonexistent. The following cases illustrate the diversity of circumstances and problems that arise.

One case concerned a female trainee 20 years of age who was an unwed mother. She was selected and referred to training and found responsible for the care of her child and was therefore classified head of a family. She was paid regular training allowances. She also requested a subsistence allowance, alleging her regular place of residence was with her parents in a city 100 miles from the site of the training facility. It was claimed she was still subject to parental control and would return to that home when training was completed. She had been living with grandparents in the vicinity of the training facility for over a year to conceal her situation from family friends. Where was her principal place of abode?

There was the case of a youth who was thrown out of his home by an irresponsible father, sometime after the first interview regarding training under MDTA. He then claimed independent status. The youth attempted to establish that he was 17 years of age, but he had no record of his date of birth. When his father and mother were brought in to be interviewed, even they could not determine his date of birth, nor could they recall in which State he had been born.

One of the most involved cases was that of a divorced woman who was receiving $75 a month from her ex-husband for the support of a minor daughter. The daughter was greatly upset mentally because of the separation. In the interest of the daughter's well-being, the ex-husband agreed to return to live in the same house for awhile. He continued to pay the $75 a month but made no other financial contribution toward the maintenance of the home. Was the woman still to be considered the head of the family?

Another case concerned a man who had been directed by the court to pay a certain substantial sum of money toward support and maintenance of a divorced wife and children, but who shirked this responsibility and, though able, paid nothing for a number of years. Was he entitled to status as head of family?

In spite of these perplexing problems there is a feeling of satisfaction that comes from determining fair and equitable solutions to each eligibility question by applying the interpretations that have been given to the general provisions of the Manpower Development and Training Act. The basic purpose of the legislation must be kept constantly in the minds of those responsible for its administration. It is believed two basic concepts can be followed. First, it is the intent to train and prepare disadvantaged individuals to take their rightful place in our country's economy; and second, no determination should be made, unless required by the act, that results in an individual being deprived of the benefits provided under the intent and purpose of the law.

Satisfaction for the responsibilities carried in the program's administration (which far overshadow the worries caused by its problems) also comes from its accomplishments. One unforgettable experience illustrates this satisfaction. It involved a young father who had been reared in a welfare-supported family; in fact, his mother and father had lived all their lives on public funds. He started to raise a family supported in the same manner. Upon completion of an MDTA training course, the young man was immediately employed. Six weeks later he was interviewed and was asked in the course of the conversation, "When are you going to replace your 1954 car?" He replied, "This is the first time in my life I've known what it is to be a man and support my family. When I have properly clothed my wife and child, paid for adequate furniture, made a downpayment on a home, and have some money in the bank, I'll consider a luxury like a better used car." That experience was enough reward for days of administrative difficulties and harassment. Up to now, the successes of the MDTA program have far outweighed any failures.

UCFE–UCX Bureau Liaison With Federal Employers

*Charles W. Reynolds**

DIRECT means of obtaining claimant wage and separation information from Federal agencies are well known to State employment security agencies' employees responsible for administering or operating some part of the Federal unemployment insurance programs. They are familiar, too, with the usual means of soliciting aid from the Bureau's regional offices and the national office on matters involving unemployment compensation for Federal employees (UCFE) and ex-servicemen (UCX). Less well known, however, is the liaison system the Bureau has established with Federal agencies to insure that Federal payroll offices furnish wage and separation information to State agencies.

Before the UCFE program became effective on January 1, 1955, Bureau representatives met with representatives of various Federal agencies, including the Comptroller General (General Accounting Office) and the U.S. Civil Service Commission. They agreed that each of the more than 22,000 Federal agency payroll offices having jurisdiction over some 2½ million Federal civilian employees throughout the world would be responsible for providing State agencies with wage and separation information. It was necessary that each Federal payroll office be aware of its responsibility. Title XV of the Social Security Act provides the Secretary of Labor with authority to enforce compliance. He requested the head of each Federal agency, corporation, commission, or other instrumentality of the United States to designate an individual on his staff to be liaison officer with the Department of Labor on title XV unemployment insurance matters. Responsibility for establishing and maintaining liaison with the officers designated by other Federal agencies was delegated to the Bureau of Employment Security.

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Instructions for Federal Agencies

The Bureau's Office of Federal UI Programs and Training Allowances has developed and is responsible for maintenance and distribution of a manual of procedures, *UCFE Instructions for Federal Agencies*, for guidance of Federal agencies in providing Federal claimant wage and separation information upon receipt of a request from State agencies.

All Federal agencies either use the *Instructions* as issued or have incorporated them in their manuals for personnel and payroll functions.

How Liaison Operates

Liaison activity between the Bureau and a Federal agency is most frequently triggered when the State agency is unable to obtain return of a completed Request for UCFE Wage and Separation Information (Form ES–931), from a Federal payroll office. The State agency notifies the Bureau through the regional office of its problem and provides partially completed copies of the form orig-

inally sent to the particular Federal agency's payroll office. The Bureau, in turn, sends the form to the Federal agency's UCFE liaison officer with a request that the form be sent to its payroll office with instructions to complete and return it promptly to the State agency as required by procedures. The UCFE liaison officer is also required to advise the Bureau of the date on which his agency's payroll officer returned the completed form to the State agency.

The Bureau's Federal office is also responsible for liaison necessary for obtaining title XV coverage rulings to determine whether employment performed was "Federal service" for UCFE program purposes and for providing interpretations of title XV and the regulations prescribed by the Secretary of Labor.

Procedure Training Conference

Because of the considerable turnover in Federal civilian personnel, the Bureau's Federal office also supplements its normal liaison with Federal and State agencies by conducting training conferences for Federal agency payroll and personnel employees in approximately 12 States a year. These training sessions orient and remind the Federal agencies of their specific legal responsibilities to provide adequate wage and separation facts to the State agencies.

In whatever State the conference is held, the eligibility and disqualification provisions of that State's unemployment insurance law are discussed and their application is explained through use of actual case material, training charts, and kits. For comparative purposes, provisions of other State laws are reviewed and applied to the same case material to demonstrate the differences in monetary and nonmonetary determinations which may occur under other liable-State laws. The significant provisions of title XV are explained and case histories are discussed to illustrate how Federal claimants and State-covered claimants receive the same treatment under State unemployment insurance laws. They also show how Federal wages are assigned, and emphasize the importance of "finality" provisions and their impact on State agency determinations.

Particular emphasis is given to the necessity for the Federal agency to report adequate facts concerning reasons for separating employees to permit State agency personnel to make proper nonmonetary determinations. Specific reference material, such as the U.S. Civil Service Commission's *Federal Personnel Manual Supplement 296–31*, is used to emphasize to Federal agency representatives their responsibility to comply with the *Federal Personnel Manual* in providing complete separation facts, on personnel action forms. Federal representatives are encouraged to ask questions on each aspect of the program as it is being presented. Frequent reference is made to the need for each Federal agency to establish an effective liaison with the State's local office serving its area. Also emphasized is the need for a good working knowledge of title XV requirements and a good understanding of the State agency's informational needs in title XV cases, for obtaining assistance with title XV operational problems.

Liaison for UCX Claims

Similar liaison activity between the Bureau and the military services is established and maintained for obtaining military wage and separation information for State agencies regarding ex-servicemen's claims under the UCX program. Instances in which the State agency has been unsuccessful in obtaining a copy of the military separation document (DOD Form 214) or information concerning military accrued leave or days lost from a military separation center or military records center are referred to the Bureau's Office of Federal UI Programs and Training Allowances. Such cases are referred to the UCX liaison officer designated by the military branch of service, with a request that he instruct the responsible military activity to promptly provide the State agency with the necessary information or document needed for determination purposes.

TRA–APTA

Trade Expansion Act and Automotive Products Trade Act*

Experience to Date

ON APRIL 14, 1966, a group of almost 200 employees of the Del-Val Parts Depot, Ford Motor Co., Pennsauken, N.J., made history by being the first workers certified eligible to apply for adjustment assistance under the Nation's international trade laws. Certified workers who meet the required standards may receive trade readjustment allowances, counseling and training (including training allowances), and relocation assistance.

The groundwork for this type of benefit began on October 10, 1962, when Congress passed the Trade Expansion Act of 1962, which was signed into law the next day by President Kennedy. The act provides, in part, that the President may reduce tariffs on imports, within set guidelines, for a 5-year period ending June 30, 1967. It also makes provision for the payment of certain allowances to workers who are adversely affected as a result of such tariff adjustments.

Section 301 of the act directs the U.S. Tariff Commission to conduct investigations to determine whether an industry, firm, or group of workers has been adversely affected as a result of tariff concessions granted under the act.

The sections of the act relating to adjustment assistance for workers are numerous and complicated. Responsibility for administering the worker adjustment assistance provisions is assigned to the Secretary of Labor, who in turn has delegated this responsibility to the Bureau of Employment Security. While adjustment assistance is not unemployment compensation, it is nevertheless closely tied to the employment security system through the use of its facilities and services. Therefore, provisions are made for each State's employment security agency, in accordance with an agreement with the Secretary of Labor, to act as agent for the Secretary in administering the program in its State.

Types of Allowances

Three types of allowances were authorized for those who could qualify:

Trade readjustment allowances.—These weekly trade readjustment allowances are payable for a period of 52 weeks. They may be payable for an additional 13 weeks to an eligible worker if he is

*Prepared in the Office of Federal Unemployment Insurance Programs and Training Allowances, Unemployment Insurance Service, Bureau of Employment Security.

60 years old at the time he is separated from adversely affected employment. Also, such allowances are payable for an additional 26 weeks to assist an eligible claimant who is in training. However, the *maximum* number of weeks payable to an adversely affected worker is 78.

Subsistence and transportation payments.—Subsistence and transportation payments are provided for qualified individuals who are referred to training at a facility not within commuting distance of their regular place of residence.

Relocation allowances.—These are afforded to qualified applicants and consist of the reasonable and necessary expenses incurred in transporting a worker and his family and their household effects, plus a lump-sum payment equal to 2½ times the national weekly manufacturing wage.

TRA Experience

To date a total of 19 petitions have been filed with the Tariff Commission. Nine petitions were filed by industry representatives, five were filed by individual firms, and five were filed by worker groups. The most recent was filed by a firm on August 30, 1965. After conducting the required investigations, the Tariff Commission denied all 19 petitions, the last on October 29, 1965.

Companion Act—APTA

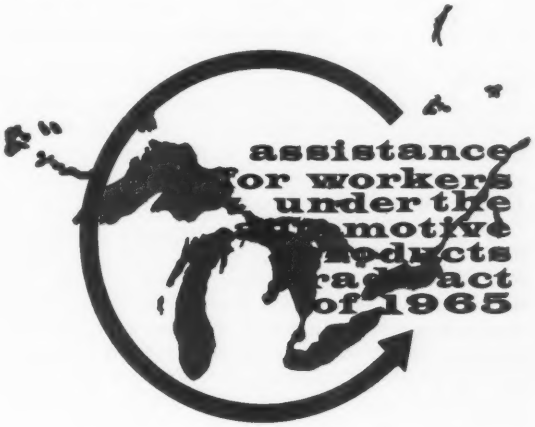
Because of the findings of the Commission from October 1962 to October 1965, it appeared that the possibility of providing benefits to workers adversely affected by tariff agreements would not materialize. During this period, however, the Congress enacted the Automotive Products Trade Act of 1965 (APTA). This act implements an agreement between the United States and Canada signed on January 16, 1965, which removes barriers to trade in automotive products between the two countries. APTA provides, in part, that a firm which produces an automotive product, or a group of workers of such a firm, may file a petition with the President for a determination of eligibility to apply for adjustment assistance under title III of the Trade Expansion Act of 1962. In these cases, the allowances provided and the qualifications required are those which are provided under the Trade Expansion Act of 1962. The rules for certifying groups of workers, however, are not the same.

The Automotive Products Trade Act provides that the President will determine whether dislocation of the petitioning firm or group of workers has occurred. This responsibility has been delegated to the Automotive Agreement Adjustment Assistance Board. The board is composed of Secretary of Labor W. Willard Wirtz, Secretary of Commerce John T. Connor, and Secretary of the Treasury Henry H. Fowler. The petition is referred to the Tariff Commission by the board for the purpose of investigation and factfinding only.

APTA Experience

The first petition was filed on February 4, 1966, by the group of workers at the Del-Val Parts Depot, Ford Motor Co., Pennsauken, N.J., who became unemployed in November 1965 when the firm's export packing operation was transferred to Tillsonburg, Canada. On April 14, 1966, the board certified that the primary cause for the dislocation of these workers was the United States-Canadian Automotive Products Agreement signed in January 1965 (under which the Ford Company moved its export packing operations) and, therefore, they were eligible to apply for allowances provided by title III of the Trade Expansion Act.

A second petition was filed on April 15, 1966, by 400 former workers of General Motors Fisher Body Plant No. 2, Grand Rapids, Mich., who lost their jobs when production of some parts was transferred to Windsor, Ontario. If these workers meet the required standards, they too may receive adjustment assistance.



Unemployment Insurance Decisions*

Not for His Signature

California.—A travel agent of many years was asked to prepare a letter to an international airline for reduced-fare transportation to the Orient for his employer and wife. During the period of the claimant's employment they had previously traveled by air without paying full fare and with no apparent objection by the airlines. The claimant had previously informed his employer that he did not consider him eligible for reduced fare. This time, he neither agreed nor refused to prepare the letter, but commenced his 2-week vacation, and then resigned.

The referee pointed out that the Civil Aeronautics Act provides in part that "any . . . ticket agent, or other officer, agent, employee, or representative thereof, who shall, knowingly and wilfully . . . assist . . . any person to obtain transportation . . . at less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor . . ." and subject to a fine. The referee found, however, that regardless of whether the claimant was right in his belief that the employer was ineligible for reduced rates, he was not required to make what he believed to be false certificates to airlines as a condition of his continued employment. He had been requested to prepare, for the signature of the employer, a letter to secure such transportation. He would have undergone no risk in thus "assisting" the employer; such a clerical function was without responsibility devolving upon the claimant. The referee also stated that by his failure to inform the employer, before resigning, that he desired to be relieved of any association with the requests to airlines for the employer's reduced-rate transportation, the claimant negated any good cause he may have had for leaving. It did not suffice that the claimant inform the employer that he considered him ineligible for such transportation; it was also necessary for him to make a positive request that he be disassociated from what he considered an unlawful act. This he failed to do. The claimant was held to have voluntarily left his most recent work without good cause. (Referee Decision No. BK–24737, affirmed by Appeals Board Decision No. 66–726, Mar. 16, 1966.)

Don't Sweep—Let Me Eat!

Louisiana.—A waitress in a small eating place had a habit of using swearwords on the job. Although warned on numerous occasions about this, she did not cease. One day as she was sweeping the floor, a customer asked her not to sweep while he was eating, because of the dust. She kept on sweeping. The customer took the broom from her and threw it out the door. The claimant became angry and started using profanity. She was terminated and told that her use of profanity was the reason.

The appeals referee held that the claimant's discharge was for misconduct connected with her employment. He explained, "The claimant was employed in a job that required her meeting and serving the public. The evidence shows that she used profanity frequently. The claimant's dealing with the public and using profanity was a reflection on the employer and as such against the interest of the employer." (Docket No. 1102–AT–66, Apr. 11, 1966.)

Employee—Client

Maryland.—The claimant worked as secretary-stenographer in the one-girl office of a very busy attorney. After many heated arguments with her employer, she quit her job. The Board of Review found that the claimant had been involved in an automobile accident and, as a direct result, became quite upset and required medical treatment. She engaged her employer as attorney to handle any legal matters resulting from the accident. There were differences of opinion between the claimant and her attorney-employer concerning certain phases of her case. One witness for the claimant, an insurance adjuster, indicated that with the permission of the attorney he interviewed the claimant in the employer's office but was halted in the middle of the interview by the employer. Another witness, who had an office in the same building, stated that on several occasions the sound of voices raised in heated discussion was heard coming from the employer's office, and that the voices were those of the claimant and the attorney-employer.

The Board said it was obvious that the termination of employment resulted because of differences of opinion between the claimant and her employer arising out of the claimant's automobile accident. The claimant was nervous and upset following the accident, and apparently this nervous tension resulted in the arguments between the claimant and her employer. She was held not to have left work without good cause. (Decision No. 120–BH–66, Mar. 23, 1966.)

Right of Self-Protection

Ohio.—In August, a coworker told the claimant not to associate with another employee who, she said, was practicing voodoo. The following November, the coworker informed the claimant that she had a gun and knife in her purse and that unless the claimant stopped sending voodoo waves, she would use the gun and knife on her. Shortly thereafter, she attempted to stab the claimant with a long screwdriver. In attempting to protect herself, the claimant received a cut on her right hand and a bite on her arm. After the two were separated by a male employee, the claimant went to the supervisor's office. The coworker pushed the supervisor's door open and called the claimant

*Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.

a vile name. She had her hand in her pocket and made a motion as though to withdraw some object from it. The claimant immediately pushed her to the floor placing one hand on her throat while with the other hand she held the woman's hand in her pocket. The two were again separated and no physical injury was incurred by either party in this scuffle. The employer had an established rule against fighting on company premises, and the claimant was discharged for violation of this rule.

The Board of Review, in granting benefits, said, in part, "Normally, when an employee violates an established rule of the employer, the employee does so either willfully or through neglect . . . . In the instant case, the claimant did not provoke either fight. She did only those things which a reasonably prudent person would do under the same or similar circumstances in order to protect herself from death or other bodily harm. There is no manmade law which can deprive an individual from using reasonable force to protect himself. . . . " (Appeals Docket No. 354662–BR, Apr. 8, 1966.)

A Pocket Full of Potatoes

Texas.—When the employer found potatoes in a dishwasher's coat pocket, he said to her, "Here are your coat and potatoes. You are fired." The dishwasher testified that she answered, "Thank you, sir—I sure like that." However, the claimant departed without explaining that they were not the cafe's potatoes. The employer maintained that the potatoes were good and belonged to the cafe. She maintained, however, that the potatoes were no good. She said she had been on a cleaning job for another employer that morning and had removed the potatoes from the refrigerator and put them in her pocket intending to throw them into the garbage later on. She had forgotten to do so, and when the cafe employer picked her up for work, the potatoes were still in her coat pocket.

The appeals referee concluded, "There is no question but that claimant was discharged by her employer because he thought claimant was trying to take potatoes without asking for them. Since claimant made no effort to explain to her employer why she had them, I can only conclude that the employer's assumption was correct. If the potatoes were bad and ready for the garbage as claimant contends, I cannot understand why she would put them in her coat pocket and leave them there as long as she did. The evidence shows there were enough to make her coat pockets heavy, enough to call attention to her coat." The claimant was held to be discharged for gross misconduct connected with her work, and disqualified for 20 weeks. (Appeal No. 30,378–AT–66, affirmed by Commission Appeal No. 311–CA–66, Mar. 30, 1966.)

Trends in the Economy*

THE Economy continued to gain strength in May, though the pace was markedly less than in the early months of 1966. The indicators of business activity were mixed, but those that did show improvement carried significant weight in the economy. Impressive gains were recorded in the production of some commodities (especially steel and business equipment) and in personal income. However, the soft spots were still apparent, chiefly in auto production and housing starts. In addition, retail sales moved down for the second consecutive month, as did new orders for durable goods.

Employment developments also seesawed. Total employment (seasonally adjusted) fell to its lowest level since November 1965, while payroll employment gained sharply. Unemployment moved up to 4.0 percent from 3.7 percent in the previous month.

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

Business Activities

The *index of industrial production* rose to a seasonally adjusted record of 154.8 percent (1957–59=100) during May. Despite a substantial drop in the measure of auto output (off by 8 points to 169 percent), this was some 1.2 points above the revised April figure and close to the average rise of 1.4 points in the first quarter. During the month, iron and steel production continued to be vigorous, rising from 137.2 percent to 143 percent (its sixth consecutive monthly gain), and aircraft output was also a strong upside feature. On balance, the index for manufacturing rose to 157.1 percent from April's 156.3 percent, with both durables and nondurables showing gains of about 1 point.

On a product group basis, the output of business equipment moved up to 180 from the 176.2

index of the prior month; a year ago, the index for this group measured 153.5 percent. Mining activity increased to 120.4 percent from April's strike-lowered figure of 115 percent, while utilities production was up by 0.5 point to 170.5 percent.

Compared with May 1965, industrial production was 13.2 points higher. All major groups (except for autos) were well above their figures of a year ago. Auto assemblies were off by 5 percent from a year earlier, to 794,520 units. In the first 5 months of 1966, 4.1 million units were produced, 4 percent less than the comparable period of 1965.

Steel production remained firm in May; output totaled 12.2 million tons, the highest tonnage for any month since March of last year. April's figure was 11.6 million tons. Thus far in 1966 (through June 4), steel production has totaled 58.1 million tons—a 3.9-percent reduction from last year's figure. However, a year ago stockpiling was at its height because of the possibility of a steel strike in the latter part of the summer.

New factory orders for durable goods edged down again in May, to an adjusted $24.1 billion from $24.2 billion in April. This decline, however, was much smaller than April's $700 million drop from the March record of $24.9 billion. The largest over-the-month decline was in bookings for defense products—aerospace, ordnance, and communications goods—some $500 million. This was partially offset, however, by an increase in primary metals orders. Transportation equipment orders were unchanged from April.

Factory shipments of durable goods rose during the month by $400 million, to $23.1 billion, after dropping $500 million in April. Shipments of transportation goods showed an increase, while those of primary metals and machinery were unchanged from the April levels. Since the beginning of the year, new orders for durable goods have been rising faster than shipments, and as a result the *backlog of unfilled orders* has been growing steadily. This May, the backlog gained by $200 million, to $69.2 billion; however, this was a slower rise than the $1.4 billion increase in April.

During May *construction expenditures* were at a seasonally adjusted annual rate of $76.2 billion—little changed from the levels in the earlier months of this year. Private housing expenditures have show a small rise, reflecting earlier strengths in housing starts, while nonresidential spending has been fluctuating rather sharply without showing a significant trend. After adjustments in price levels, construction outlays in May were some 2 percent greater than in May 1965, with much of the rise (23 percent) occurring in nonresidential spending. Residential spending showed only a 3-percent gain, while public construction was up 6 percent.

Private housing starts in May plunged to the lowest level in nearly 3½ years. Work was begun on dwelling units at a seasonally adjusted annual rate of 1,306,000, which was 13 percent behind the rate for April. The year-earlier rate was 1,516,000. Regionally, the most severe drop occurred in the North East; a somewhat lesser decline took place in the North Central region; and a milder one, in the South. Only in the West was there an increase from April's level.

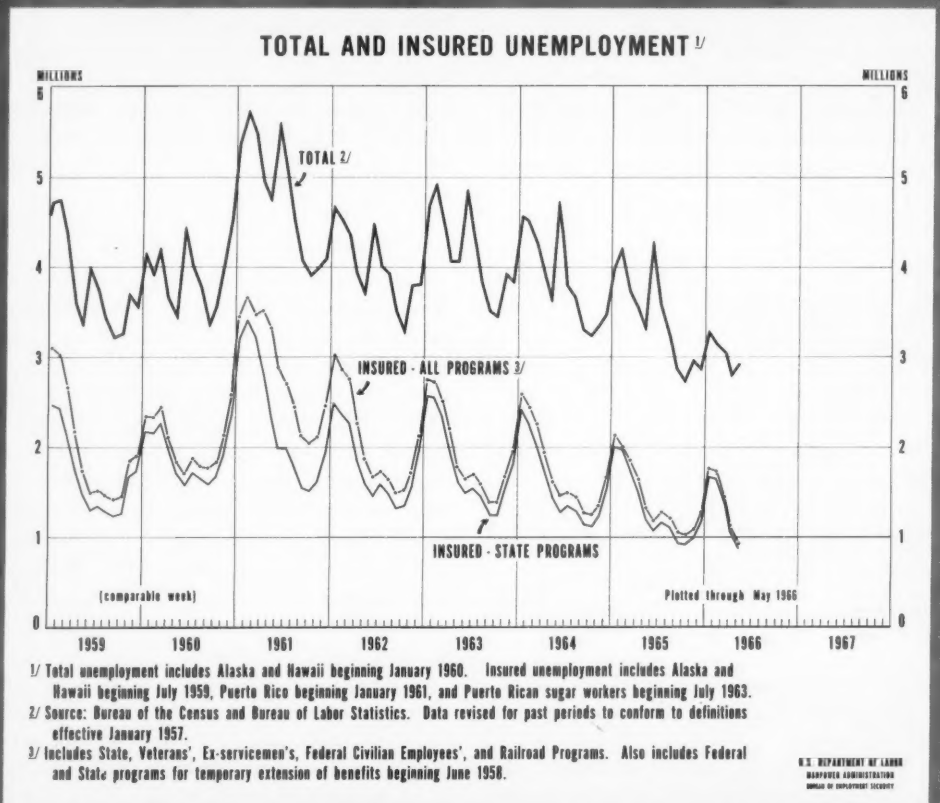
The pace as which *building permits* were issued by the 12,000 localities requiring them also slowed, but not as sharply as housing starts. At a seasonally adjusted annual rate of 1,091,000 units, May's permits were off 7 percent from April's and 12 percent lower than a year earlier.

Personal income in May scored its seventh consecutive monthly record. At a seasonally adjusted annual rate of $565.5 billion, personal income was up by $2.4 billion from the April rate and was some $40.5 billion above that for May 1965. Although the increase this May was greater than the $1.7 billion rise of the previous month, it was below the average monthly gain ($3 billion) in the first quarter of the year. The major portion of the April–May gain was centered in the broad wage and salary category, which showed an increase of $2.2 billion and reached an annual rate of $383.8 billion. Most of the payroll rise took place in manufacturing with small increases in most industries. Farm income fell during the month to an annual rate of $19.9 billion, a drop of $200 million from April and $600 million under the March level.

For the first 5 months of 1966, personal income was at an annual rate of $560 billion; a year ago, the comparable rate was $518.8 billion.

Retail sales declined for the second month in a row. The May volume (seasonally adjusted) dropped to $24.4 billion. The April figure was $25.0 billion, while the record (set in March of this year) was $25.5 billion.

The over-the-month drop was almost completely in the durable goods sector, where the volume, at $7.5 billion, was off by 7 percent from the previous


TOTAL AND INSURED UNEMPLOYMENT 1/
MILLIONS
MILLIONS
6
5
4
3
2
1
0
TOTAL 2/
INSURED - ALL PROGRAMS 3/
INSURED - STATE PROGRAMS
(comparable week)
Plotted through May 1966
1959
1960
1961
1962
1963
1964
1965
1966
1967
1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data revised for past periods to conform to definitions effective January 1957.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.
U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION
BUREAU OF EMPLOYMENT SECURITY

month. The fall in the rate of new car sales was the dominant factor in the overall durables decline. May sales of autos totaled 692,700, which was 9 percent under April deliveries and 10 percent less than a year ago. The dollar volume of auto sales (unadjusted) during May was $4.8 billion, down from the $5.2 billion in this April and the $5.0 billion of May 1965. Auto sales for the first 5 months of 1966, at $3.7 million, were 2.7 percent under the record set last year. Sales in the nondurable goods sector, at $16.9 billion, were virtually unchanged from the previous month.

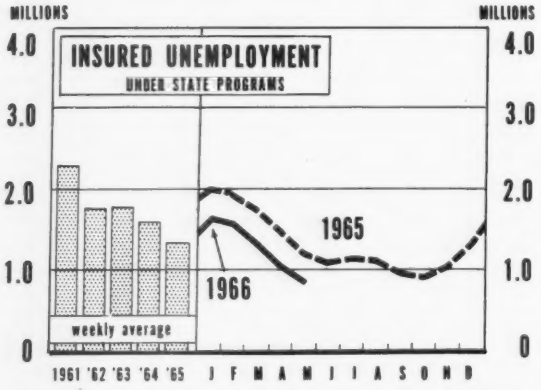
Compared with a year earlier, total retail sales were up by 5 percent, with an 8-percent rise in soft goods stores more than offsetting a 2-percent drop in the durables sector. Among the durables, automobile sales were 3 percent lower; and in the lumber-hardware-farm-equipment group, were down by 6 percent. However, furniture and appliance sales showed a 9-percent rise. Among soft goods stores, all categories were substantially above the 1965 showing.

Consumer prices also rose in May, but the advance was more moderate than in recent months. The cost of living index edged up to 112.6 percent of the 1957–59 average from 112.5 percent in April. The over-the-month rise largely reflected higher costs of home ownership, women's apparel, medical care, and cigarettes. A 0.6-percent drop in food prices, which had been climbing sharply

for some time, somewhat curtailed the overall advance.

Employment

Total civilian employment rose by 659,000 in May to 73.8 million. Both the farm and the nonfarm sectors showed gains; however, the advance of 100,000 in the farm sector was about 400,000 less than expected, and the employment increase



of 600,000 in the nonagricultural sector was about seasonal. Compared with May 1965, employment was 1.4 million higher.

Payroll employment, seasonally adjusted, advanced by 166,000 to 63.1 million, with nearly every division registering a better than seasonal rise. A job gain of 84,000 in the government group was by far the largest rise (some 57,000 of this increase occurred in State and local segments), followed by manufacturing's increase of 58,000.

Over the year, payroll employment was up, by 3.1 million, to 63.1 million, with increases in nearly every major industry group. Only mining showed fewer employees than a year earlier.

The *factory workweek*, at 41.5 hours (unadjusted) in May, was somewhat higher than in April. *Average hourly earnings* were unchanged at $2.70, but the longer workweek brought average weekly earnings to a new high of $112.50, which was 81 cents above April's figure.

Unemployment

Total unemployment rose contraseasonally in May, increasing by 140,000 to 2.9 million. As a result, the jobless rate moved up to 4.0 percent from 3.7 percent in April. This rise was solely among women and teenagers, with increases of 42,000 and 260,000, respectively. Unemployment among adult men continued to be low and their seasonally adjusted unemployment rate, at 2.4 percent, remained unchanged over the month. This was the lowest rate for this group since September 1952. The teenage jobless rate climbed to 13.4 percent from 12.0 percent in the previous month, while the unemployment rate for adult women was up from 3.6 to 4.0 percent.

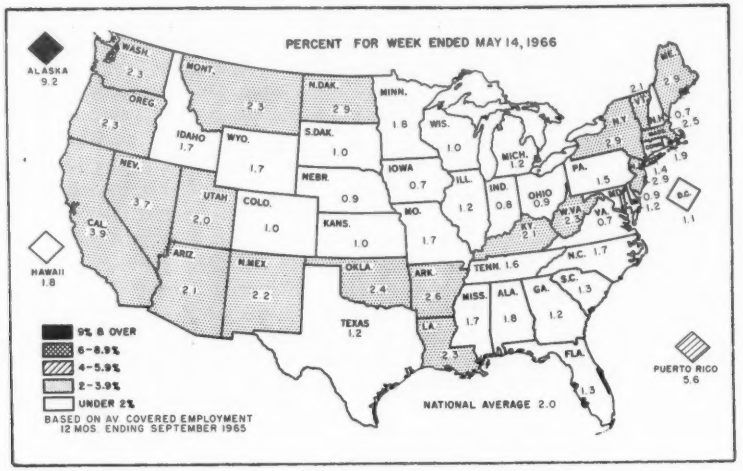
Insured unemployment under State programs averaged 861,700 per week in May, 17 percent less than in April and 27 percent below a year ago. The over-the-month decline was in line with seasonal expectations, with the seasonally adjusted level of insured unemployment remaining slightly below the 1 million mark for the second month.

The national rate of insured unemployment dropped from 2.3 percent in April to 1.9 percent, the lowest rate in over 13 years.

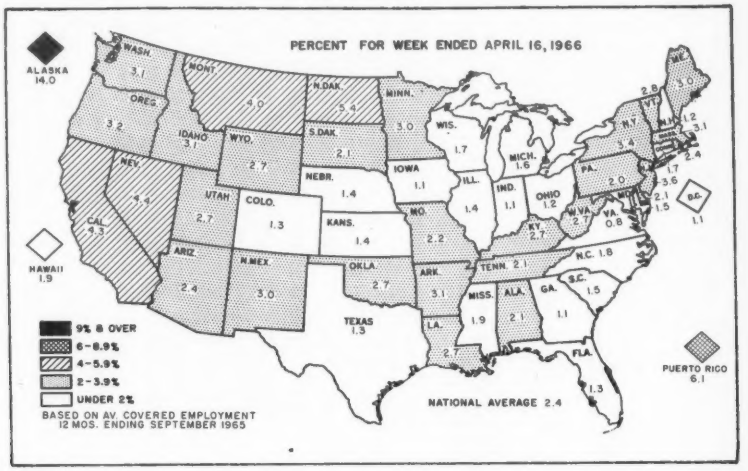
NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

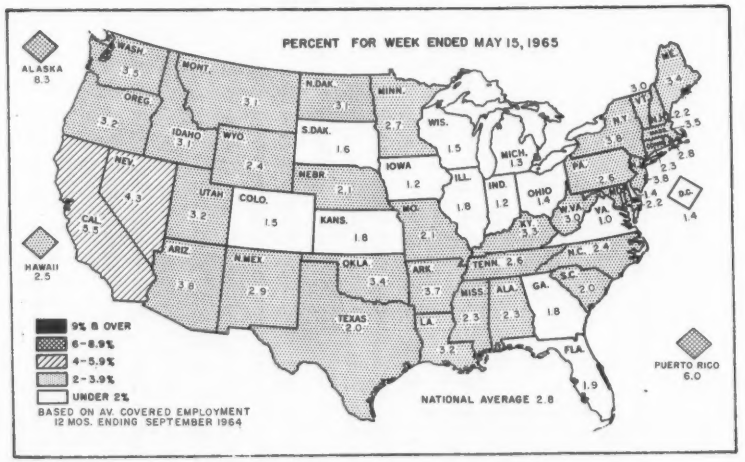
LATEST MONTH



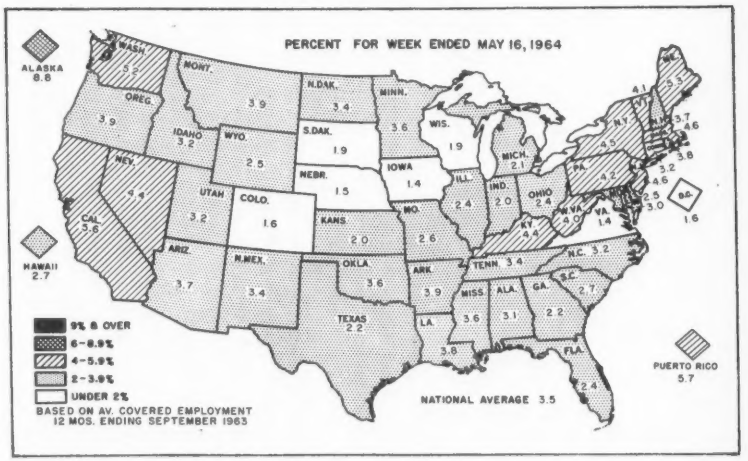
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



Insured Unemployment*

STATE insured unemployment declined from a weekly average of 1,044,300 in April to 861,700 in May, marking the first time in over 9 years that the volume for any month has dipped below 900,000. Much of the reduction in May was attributable to the continued spring expansion in construction and in other types of outdoor work. The over-the-month decrease was in line with seasonal expectations, with the seasonally adjusted level of insured unemployment remaining slightly below the 1 million mark for the second successive month.

Insured unemployment under both Federal programs declined further in May. Under the program for separated Federal employees (UCFE), the average weekly volume moved down by 2,800 to 18,400—the lowest volume for any month in over 9 years. A year earlier the number was 21,800. Jobless ex-servicemen, covered by the UCX program, averaged 17,900 per week in May—the smallest number since the start of this program in late 1958. In April, the number was 22,000; a year ago it was 32,800.

The unadjusted rate of insured unemployment dropped from 2.3 to 1.9 percent over the month—the lowest rate for any month in over 13 years. (On an adjusted basis, the rate remained at 2.1 percent over the month—the lowest level reached since the start of this series in January 1949.) The highest unadjusted rates were 8.5 percent in Alaska (down from 13.2 percent in April), 5.5 percent in Puerto Rico, 3.8 percent in California, and 3.6 percent in Nevada. Maine, New Jersey, New York, North Dakota, and Massachusetts were next, with rates ranging from 2.5 to 2.9 percent. Rates were less than 1.5 percent in 20 States, including Illinois, Indiana, Michigan, Ohio, and Texas.

All States (except Florida, where the winter tourist season was drawing to a close), the District of Columbia, and Puerto Rico reported lower volumes of insured jobless claims in May. The largest decline (25,800) occurred in New York, with most of the decrease taking place among construction, apparel, and trade workers. Insured unemployment fell by some 17,400 in California; the job expansion in the manufacturing sector accounted for nearly all the decrease. Declines of 11,300, the next largest figure, were reported by both Pennsylvania and New Jersey.

Compared with a year earlier, insured unemployment was lower in all States but Alaska and Michigan. California, reporting less unemployment in every industry except textiles and instruments, had the largest over-the-year drop (63,200), followed by New York (43,900) and Pennsylvania (27,400). Michigan reported an insured unemployment rise of 2,000 from May 1965, resulting from less activity in the construction industry. The increase of 600 in Alaska was moderate.

Benefits

After a sharp drop in April, benefit payments under all regular unemployment insurance programs declined moderately in May, by $30.3 million to $136.1 million. Except for October 1965, this was the lowest amount for any month in 8 years. The May total included $126.1 million paid under State programs, $3.7 million under the railroad program, and a combined total of $6.2 million under the UCX and UCFE programs.

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

Activity [1]	Number or amount May 1966	Percent change from— April 1966	Percent change from— May 1965	January–May cumulative (in thousands) 1966	January–May cumulative (in thousands) 1965
Initial claims [2]	665, 100	−4. 1	−12. 8	4, 511	5, 281
Weeks claimed [2]	3, 923, 000	−13. 8	−23. 1	28, 212	35, 984
Insured unemployment (weekly average) [2]	861, 700	−17. 5	−26. 9	1, 282	1, 656
Beneficiaries (weekly average)	805, 900	−13. 5	−23. 9	1, 147	1, 484
Benefits paid [3]	$126, 149, 400	−18. 9	−23. 9	$929, 704	$1, 154, 422
Claimant exhaustions	73, 800	−7. 2	−27. 5	391	543

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.

Benefit payments under the State programs for totally unemployed workers averaged $38.86 per week. This was 52 cents less than in April (a decrease normally occurs between these months) but $2.46 above the amount a year ago. The highest weekly benefit checks were paid in California ($47.76), Colorado ($44.27), the District of Columbia ($43.91), and Wisconsin ($43.49). Weekly checks averaging less than $26 were issued in Puerto Rico, Mississippi, North Carolina, and West Virginia.

In May, approximately 10 percent of all benefits paid went to persons partially unemployed, compared with 9 percent in April. The proportions varied markedly among the States, ranging from highs of 20.1 percent in North Dakota and 19.0 percent in Wisconsin to lows of 3.2 percent in both Alaska and the District of Columbia and 4.3 percent in both Michigan and Puerto Rico. The average check for partial unemployment was $22.83 in May, down from $24.09 in April.

Exhaustions

The number of claimants exhausting their benefit rights under State programs in May decreased by 5,700 to 73,800. This was 28,000 fewer than in May 1965, and the smallest number for the month in 13 years. During the first 5 months of 1966, exhaustions totaled some 390,600; this was 152,500 lower than in the comparable period last year.

Week ended—	Initial claims [1] 1966	Initial claims [1] 1965	Insured unemployment [1] 1966	Insured unemployment [1] 1965
Apr. 2	161, 100	226, 500	1, 148, 300	1, 598, 900
Apr. 9	195, 600	261, 900	1, 110, 900	1, 551, 600
Apr. 16	161, 000	214, 600	1, 067, 100	1, 498, 800
Apr. 23	157, 400	203, 200	1, 014, 800	1, 432, 200
Apr. 30	153, 100	197, 200	963, 600	1, 342, 200
May 7	164, 400	209, 900	916, 700	1, 270, 200
May 14	151, 000	184, 900	881, 700	1, 208, 900
May 21	146, 700	178, 700	852, 700	1, 157, 800
May 28	151, 500	176, 100	813, 700	1, 094, 100
June 4	141, 600	168, 700	816, 300	1, 096, 000
Weekly averages				
April	166, 500	219, 900	1, 044, 300	1, 469, 600
May	152, 300	186, 500	861, 700	1, 178, 700

[1] Refers to State programs.

Selected Unemployment Insurance Statistics, State Programs
May 1966

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending May 1966 (in thousands)		Funds available May 1966 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/665121	8/3922961	8/861667	805889	$38.86	73796	$126149377	$1941686	$3342593	$9085471
Alabama	7505	50560	11125	10006	29.35	1232	1209186	17204	30957	97498
Alaska	1378	18272	3391	3776	39.40	302	620275	6410	10475	10/ 15862
Arizona	5477	25637	5786	4547	36.67	424	6886398	13626	16694	68414
Arkansas	5543	37105	7962	6595	28.11	765	750001	10127	17268	35737
California	128503	744616	167929	159915	47.76	14451	31289328	9/ 477610	544855	733220
Colorado	4016	17134	3811	3124	44.27	407	558632	9806	17912	65489
Connecticut	7211	49412	10990	10613	41.28	957	1802687	29946	63679	223260
Delaware	1213	5640	1314	1485	38.72	223	231215	4663	8644	25711
Dist. of Col.	2332	14587	3376	3274	43.91	195	599197	8167	10972	66419
Florida	14688	62311	14854	9597	28.17	1274	1108189	18476	43154	196689
Georgia	7872	46100	10108	8175	29.39	1018	919271	15396	41256	211174
Hawaii	1752	14642	3270	2867	42.30	205	486714	6973	11597	25742
Idaho	1546	11187	2270	2239	40.00	409	349437	5381	10450	33443
Illinois	24499	151222	33114	31756	42.55	3079	5465761	79729	124782	554887
Indiana	8261	50696	10322	10041	33.61	1184	1395921	22004	54898	201954
Iowa	2009	15310	3309	3210	36.60	407	456036	7879	14169	118543
Kansas	2364	17574	3726	3789	38.41	413	595040	11600	18717	68632
Kentucky	5961	45861	10084	8329	33.29	939	1095036	17378	31000	128392
Louisiana	9452	70867	13749	14158	33.02	1598	1900296	21902	39832	137508
Maine	4381	26097	5534	5069	30.77	0	626982	5865	11407	37037
Maryland	7710	43950	9340	8937	34.84	556	1237275	25923	57232	190641
Massachusetts	29598	177625	39637	38038	41.57	3442	6196686	93260	146529	253402
Michigan	20700	115979	25052	23253	41.51	2636	3969902	60315	193015	10/ 581074
Minnesota	4285	64570	12766	11307	28.61	809	1561953	21832	33001	32415
Mississippi	4730	25327	5464	4523	25.17	534	466048	6605	19932	67775
Missouri	16023	77641	16400	14101	36.12	1313	1917346	28975	53643	250435
Montana	1245	15204	2473	2683	30.76	363	350415	5430	6331	19245
Nebraska	1264	11626	2152	2414	33.95	328	335202	7263	9003	42317
Nevada	3240	21096	4523	4580	41.90	489	789099	11281	11202	29160
New Hampshire	1435	5553	1066	814	31.83	2	99776	2577	8787	33442
New Jersey	35502	214905	47277	49815	40.79	4931	8225426	113979	155851	338393
New Mexico	3117	19013	3858	3625	30.46	161	452220	6577	8068	35942
New York	127608	649057	148136	144223	41.49	8852	27744385	341689	508990	1379248
North Carolina	12726	66701	18413	17482	25.39	1291	1792282	22690	54059	257127
North Dakota	600	12855	1985	3177	41.57	366	547259	5598	5737	5773
Ohio	20099	99923	22076	18839	37.42	1428	2894576	60213	205746	436414
Oklahoma	5039	42734	9394	7212	26.84	713	791501	11875	18210	52454
Oregon	7111	48292	10409	9867	33.46	654	1353534	19957	35446	1/ 10323
Pennsylvania	41393	211390	47056	43706	33.55	2250	5668846	102232	315900	10/ 947760
Puerto Rico	8/6833	9/75317	8/16293	9706	17.46	3023	745447	9/ 17012	22590	61566
Rhode Island	5499	28065	4861	4599	39.02	420	709620	12017	22819	59224
South Carolina	4855	29159	6505	5435	30.23	657	672347	10352	24216	105038
South Dakota	265	4104	751	733	31.76	144	92173	2015	2754	14962
Tennessee	6750	59310	12599	11492	28.46	1381	1330357	20225	48015	122753
Texas	16306	108772	22873	20513	30.04	2692	2499379	37474	63792	269816
Utah	2219	17394	3808	3261	36.63	419	488828	10426	11814	37361
Vermont	1021	7683	1647	1571	35.18	86	216759	3424	8009	11102
Virginia	4652	24798	5510	4309	29.57	765	517676	8244	24642	150054
Washington	11415	66552	14208	13494	32.71	2108	1817970	37220	67794	232911
West Virginia	4436	34558	7545	6860	24.64	411	685994	10863	17528	64289
Wisconsin	9005	48743	10567	9836	43.49	1017	1709389	32146	55370	224860
Wyoming	424	5025	1010	917	39.38	75	141102	2453	4436	10775

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $40,231 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs [1]

May 1966

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	7084	83256	18690	$3217367	$40.99	11835	82591	18017	$2936464	$39.81
Alabama	139	952	182	24484	32.09	230	1712	346	48855	33.65
Alaska	117	2600	659	112838	40.75	28	478	104	15872	36.24
Arizona	119	1067	236	37922	38.23	199	1217	236	39024	39.42
Arkansas	46	1210	128	17294	32.14	88	717	141	20153	33.98
California	1235	15021	3294	732233	52.92	2329	15316	3571	699168	46.62
Colorado	72	505	109	20617	44.92	110	736	156	27759	42.38
Connecticut	33	346	90	17695	47.05	86	309	57	9232	38.63
Delaware	4	95	15	2694	43.45	36	114	24	3986	39.08
Dist. of Col.	158	3116	844	159329	44.97	77	380	87	15127	41.44
Florida	101	1011	119	14940	29.82	207	1056	193	25899	31.90
Georgia	137	1259	254	34701	32.52	204	1307	262	37397	34.00
Hawaii	83	990	290	59684	48.92	109	772	174	36303	49.80
Idaho	21	247	60	9807	38.76	36	246	68	10620	37.26
Illinois	289	2550	542	80191	35.25	327	1405	309	48707	37.58
Indiana	54	593	105	16247	36.67	118	669	123	18973	36.77
Iowa	36	206	44	7059	38.57	44	251	58	10808	44.65
Kansas	33	422	92	14077	36.28	60	517	118	21027	42.48
Kentucky	92	1021	208	29456	33.70	265	2547	528	81736	36.85
Louisiana	97	1156	231	32276	33.27	179	1700	355	55326	37.06
Maine	25	308	76	9970	31.35	41	215	44	6737	36.42
Maryland	150	632	140	22079	37.61	189	811	165	26975	38.87
Massachusetts	269	4734	1278	263354	49.05	288	1920	476	91080	45.52
Michigan	157	1081	226	37733	39.80	351	1875	404	70804	41.77
Minnesota	41	810	214	25711	26.43	128	1500	386	57340	35.37
Mississippi	77	1103	236	26630	26.90	82	467	95	11731	29.33
Missouri	157	1036	231	32967	34.02	197	1254	284	45809	36.78
Montana	40	763	144	19425	32.16	32	362	61	8585	33.28
Nebraska	39	496	132	18726	33.86	18	180	37	5841	37.68
Nevada	59	357	70	12587	42.96	64	354	92	16504	42.65
New Hampshire	14	93	27	4650	41.52	24	59	14	2526	44.32
New Jersey	186	2115	407	78193	45.75	407	2837	577	100912	41.65
New Mexico	100	853	162	22306	32.71	132	826	165	23232	33.52
New York	851	10652	2420	416594	40.98	936	5511	1114	171446	36.63
North Carolina	94	1088	228	30336	31.67	157	1265	281	45694	38.69
North Dakota	10	349	65	10857	39.48	22	599	135	21730	38.32
Ohio	229	1154	270	41351	36.50	555	2530	470	75522	38.28
Oklahoma	77	1013	217	25602	28.10	97	1358	273	34742	30.29
Oregon	81	744	187	26483	33.62	118	712	149	25172	40.28
Pennsylvania	437	3769	797	119506	35.73	1002	5343	1136	179091	37.53
Puerto Rico	41	732	158	18124	27.38	251	5994	1373	183914	31.89
Rhode Island	40	1119	257	50238	46.60	72	343	79	14166	42.67
South Carolina	86	563	110	15320	33.30	139	809	166	25823	36.94
South Dakota	22	233	59	7894	31.96	15	217	53	7369	33.04
Tennessee	205	3147	880	132685	35.92	226	2389	543	78144	34.27
Texas	260	3589	810	109585	32.23	574	4676	1099	165898	35.52
Utah	61	680	142	21566	36.25	62	514	103	15801	36.66
Vermont	9	166	36	6024	40.16	16	85	14	2247	38.74
Virginia	104	1227	212	31525	35.38	148	1111	211	30933	34.87
Virgin Islands	0	0	0	0	0	4	14	3	513	46.64
Washington	211	3227	776	124913	38.34	350	1643	383	61305	38.10
West Virginia	24	295	59	5386	21.89	237	1919	414	55148	31.75
Wisconsin	51	586	121	19793	38.95	147	1296	273	45961	40.14
Wyoming	11	175	45	7680	40.42	20	154	37	5797	37.16

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Income-Maintenance Program Operations

All Programs

	1966		1965	
	February	January	February	January
Total Public Income-Maintenance Payments (millions)	$3,472	$3,418	$3,126	$3,109
Old-age, survivors, and disability insurance	1,645	1,609	1,397	1,380
Railroad and public employee retirement	1/547	1/529	1/480	1/474
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/442	2/440	2/460	2/468
Veterans' compensation and pension programs	358	367	342	345
Public assistance	480	475	447	442
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	21,215	21,053	19,921	19,867
Retired workers	11,234	11,179	10,737	10,710
Survivors and dependents	8,969	8,877	8,274	8,255
Disabled workers	1,012	997	910	902
Total monthly benefits (millions)	3/$1,544	3/$1,532	3/$1,338	3/$1,333
Retired workers	945	939	835	832
Survivors and dependents	500	495	420	419
Disabled workers	99	98	83	82
Public Assistance				
Total recipients (thousands)	8,303	8,232	8,233	8,194
Federally aided programs	7,589	7,517	7,433	7,386
Aid to families with dependent children--children	3,435	3,387	3,312	3,275
Total recipients	4,562	4,497	4,424	4,372
Old-age assistance	2,105	2,110	2,150	2,155
Other federally aided programs	1,298	1,272	858	859
General assistance: Cases	319	319	353	352
Recipients	714	715	801	808
Total payments (millions)	4/$480	4/$475	4/$447	4/$442
Federally aided programs	450	445	413	410
General assistance	22	22	23	23

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA*		MDTA	
	March 1966	February 1966	March 1966	February 1966	March 1966	February 1966
Total paid trainees	69,090	65,600	284	402	68,806	65,198
Youths	18,888	17,299	NA	NA	18,888	17,299
Total initial trainees	12,939	12,758	NA	NA	12,939	12,758
Youths	3,704	3,453	NA	NA	3,704	3,453
Total net benefits	$14,064,198	$11,335,987	$40,519	$57,417	$14,023,679	$11,278,570
Training allowances	10,017,580	8,062,408	40,519	57,417	9,977,061	8,004,991
Youth allowances	1,970,044	1,549,810	NA	NA	1,970,044	1,549,810
Subsistence allowances	1,128,780	907,990	NA	NA	1,128,780	907,990
Transportation allowances	947,794	815,779	NA	NA	947,794	815,779

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	March 1966	February 1966	March 1966	February 1966	March 1966	February 1966	March 1965	February 1965
California								
State plan								
Basic benefits	65,263	49,580	332,699	262,622	$18,483,161	$14,513,640	$17,952,251	$14,467,396
Additional hospital benefits	5/35,547	5/28,399	6/255,742	6/206,131	3,068,904	2,473,572	3,047,520	2,482,140
Private plan	4,786	3,024	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
New Jersey								
State plan	9,731	8,408	67,306	51,936	2,644,505	2,085,368	2,570,048	1,955,838
Private plan	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
New York	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
Rhode Island	3,612	3,428	33,395	26,352	1,190,335	940,633	1,067,762	873,338
Railroad								
Sickness	9,757	9,649	8/104,164	9/85,424	3,388,669	2,664,461	3,394,936	2,713,160
Maternity	135	125	8/2,164	9/1,682	154,017	124,140	154,023	135,538

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.

2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.

3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.

4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

5/ Represents the number of payments made. 6/ Days for which additional hospital benefits were paid. 7/ Data not available.

8/ Estimated from data "benefit periods" compensated which number 52,082 for sickness and 1,082 for maternity.

9/ Estimated from data "benefit periods" compensated which number 42,712 for sickness and 841 for maternity.

NA--Not applicable. * ARA program transferred to MDTA after June 30, 1965. These data represent ARA projects approved prior to July 1, 1965.

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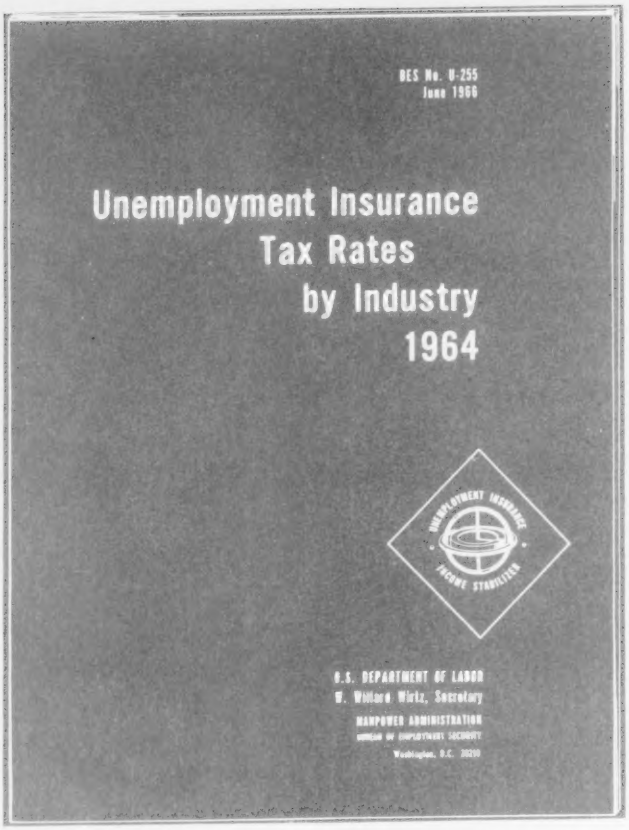

- *Unemployment Insurance Tax Rates, by Industry, 1964*, contains useful indicators of variations in the cost of unemployment insurance to the major types of industry.

- Detailed data, shown separately for each of the 50 States, the District of Columbia, and Puerto Rico include:

  The taxable wage base, minimum and maximum statutory limits of employer tax rates, and the range of tax-rate schedules in effect during 1964;
  Average employer contribution rates (as percent of taxable and total wages) by major industry division;
  Covered employment and wages, taxable wages (dollar amount and as percent of total wages), and average tax rate as a percent of taxable and of total wages, for all major industry divisions and the principal two-digit industry classifications.

- Single copies of *Unemployment Insurance Tax Rates, by Industry, 1964* (BES No. U–255, June 1966) may be obtained without cost, as long as supplies permit, by writing to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

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